

HEBER PUBLIC UTILITY DISTRICT

REPORT TO BOARD OF DIRECTORS

MEETING DATE: April 21, 2016

FROM: Laura Fischer, General Manager

SUBJECT: Information Only Regarding Compliance with Organics Diversion Initiatives AB 1826 and AB 1594.

INFORMATION ONLY:

The State passed AB 1826 and AB 1594 which requires HPUD meet the new CalRecycle requirements and deadlines. AB 1826 requires businesses that generate a specified amount of organic waste per week to arrange for recycling services for that waste, and for jurisdictions to implement a recycling program to divert organic waste from businesses subject to the law, as well as report to CalRecycle on their progress in implementing an organic waste recycling program.

CR&R has prepared an Organic Waste Recycling Program Proposal for the Heber Public Utility District that will comply with AB 1826 and AB 1594. I have attached a letter with the proposal from CR&R for your consideration. They will be at the meeting to present their proposal to you.

Respectfully Submitted,

Laura Fischer,
General Manager

Attachments: Correspondence from CR&R



March 23, 2016

Ms. Laura Fischer
General Manager
Heber Public Utility District
1078 Dogwood Rd., Ste 103
Heber, CA 92249

RECEIVED
MAR 28 2016

Re: Compliance with AB 1826 and CR&R Assistance

H.P.U.D.

Dear Ms. Fischer:

With the passage of AB 1826 (Organics Bill) and AB 1594 (ADC Bill), the Heber Public Utility District is on a path for compliance with the requirements and with the new legislation. As your Franchisee, CR&R has worked to accommodate all our contract municipalities with new programs to meet the new CalRecycle requirements and deadlines.

Organics consists of food scraps from restaurants, grocery stores, and green waste materials generated from Multi-Family Residential complexes with over 4 units. All generators of this material must be offered a diversion program in order to comply with the State Mandates.

Diversion of this material can be offered in two ways that we are aware of: Anaerobic Digestion or Composting. CR&R has planned and constructed these facilities in order to provide for these recycling services. With the construction of the CR&R Anaerobic Digestion project in the City of Perris, our franchise cities in Riverside, Orange and Los Angeles Counties have been offered this option for full diversion credits.

Due to the distance to the Perris facility, CR&R has planned for a separate facility closer to our Imperial County franchise municipalities. We have recently permitted and constructed a thirty (30) acre compost facility at our South Yuma County Landfill, where your waste is currently disposed and C&D materials are currently being sorted. This facility will handle all Organics generated from within Heber Public Utility District (including curbside green waste) and count as full diversion credit for the District. We have secured markets for the composted materials from a number of agricultural users, so are very confident that CalRecycle will endorse this project. This material is also available to be backhauled to Imperial County for use in agriculture or other beneficial uses.

Please refer to the attached "Organic Waste Recycling Program Proposal" for additional information.

These new programs typically come with costs that are passed on to the users of the program. Although our Franchise Agreement is somewhat silent, it can be assumed that the Franchisee will develop and submit for the District's approval, suggested programs designed to enable the District to meet the revised requirements, including estimated costs of implementation and then only to the extent such programs are within Franchisee's authorization or control under this Agreement (Section 8).

Because additional costs (if any) are clearly not yet defined by CR&R, we suggest utilizing the existing rate structure for the sizes and types of containers for the next year and offer programs as outlined in the attachment. This will allow the District to postpone any Prop. 218 hearing (if necessary) for this year in that we have frozen any rate adjustment with Resolution 2016-17. There is only one exception to this proposal: In order to provide for a larger cart for larger generators, CR&R has added a 300 gallon cart but continued to utilize the costing for the 96 gallon cart (this is 3 times the capacity). As such, we do not believe there is a Prop 218 issue in that the cost for the optional size is proportional to that already approved by the District Board (see attached rate schedule).

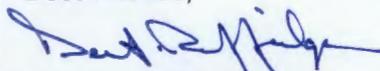
We are currently planning on providing organic programs for our customers via the side-loader collection system currently in place for curbside residential collection. These vehicles and any additions needed for collection will be directed to the South Yuma County Landfill Organic Composting Facility. The current disposal component of the rate will be utilized for the cost of composting until the next rate year review.

CR&R's Sustainability Coordinator has already identified tiers 1 and 2 in Heber Utility District which will be affected by AB 1826. These accounts will be targeted by your Coordinator in site visits and mailings in order to educate the property on AB-1826 and the programs CR&R has to offer to put the property in compliance. In addition, CR&R's Sustainability Coordinator is available to provide educational training sessions for staff once an organics program is implemented.

We would like to offer a Board presentation should you wish to provide a public forum for discussion and explanation of these State requirements. Please let us know if you would like us to prepare a power point presentation.

As always, thank you for allowing CR&R to be of service to the Heber Public Utility District.

Best Wishes,



Dean A. Ruffridge,
Senior Vice President

Organic Waste Recycling Program Proposal to Heber Public Utility District

To comply with the State of California AB 1826 and AB 1594 legislation mandates, the Heber Public Utility District is required to comply with organics diversion initiatives of AB 1826 as well as addressing the elimination of Alternative Daily Cover (ADC) for diversion in AB 1594.

The following details the Commercial and Multifamily programs that CR&R Environmental Services proposes to implement to comply with State Legislation and to promote the proposed services.

Source Separated Commercial Organics Collection

CR&R proposes to implement an on-site source separated recycling program for food generating customers identified that meet the criteria established by CalRecycle (Generator ID Tool). In addition, in 2016, CR&R will provide green waste commercial cart service for those multi-family complexes that are mandated to divert according to the State mandates.

Benefits of source separated collection program:

- Less contamination, capture additional diversion
- Supports CalRecycle program implementation
- Extensive outreach and education for the program along with onsite training for businesses by a dedicated Sustainability Coordinator

CR&R will perform Organic Waste collection service using 35 and 65 gallon carts. The designated organics route will commence with service up to 3 days per week and, based upon demand, will increase as needed. Rates for this service are included on the Organics Tab of the rate template.

Summary of outreach activities

- First Tier: April 1, 2016 – 8 cubic yard organics generators. All customers have been identified
- Second Tier: January 1, 2017 – 4 cubic yard organics generators. All customers have been identified
- Notify all customers requiring Organic Waste service of the regulation and advise to implement a program
- Provide outreach and training on source separation for customers electing to participate. The program shall include the following:
 - Handout materials (including brochures) with details on the Organic Waste Service and CR&R contact information
 - Educational training for owners or managers for Commercial Premises
 - Site visits, including follow-up visits to ensure source separated program is being implemented successfully
- Placement of brochures in public areas designated by Heber Utility District
- Maintain listing of participating customers for City and State reporting

Multifamily Residential Green Waste Cart Options

CR&R proposes a green waste service to multifamily customers over 4 units using 90 and 240 gallon carts with service options from one to six times weekly. Rates for this service are included on the Organics Tab of the rate template.

Yuma Composting Facility

All organics and green waste collected in Heber Utility District will be hauled to South Yuma County Landfill. The rate associated with this service correlates with the current 90 gallon residential trash cart rate which is currently being disposed of in our Yuma, Arizona landfill.

Program Implementation:

The proposed commercial organic and multifamily green waste programs would commence upon the District's approval.

**Heber Utility District
Organic Rates
2016**

Commercial Organics	Rates
35/65 Gallon x1/week	\$ 19.12
35/65 Gallon x2/week	\$ 38.24
35/65 Gallon x3/week	\$ 57.36
35/65 Gallon x4/week	\$ 76.48
35/65 Gallon x5/week	\$ 95.60
35/65 Gallon x6/week	\$ 114.72
Green Waste Rates	
	Rates
96 Gallon x1/week	\$ 19.12
96 Gallon x2/week	\$ 38.24
96 Gallon x3/week	\$ 57.36
96 Gallon x4/week	\$ 76.48
96 Gallon x5/week	\$ 95.60
96 Gallon x6/week	\$ 114.72
300 Gallon x1/week	\$ 57.36
300 Gallon x2/week	\$ 114.72
300 Gallon x3/week	\$ 172.08
300 Gallon x4/week	\$ 229.44
300 Gallon x5/week	\$ 286.80
300 Gallon x6/week	\$ 344.16